Consolidated Financial Report

Clover, Inc. and Affiliates

June 30, 2023 and 2022

clover
Empowering Children, Families
& Community Since 1896

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Consolidated Financial Report

Clover, Inc. and Affiliates

June 30, 2023 and 2022

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New Orleans, Louisiana

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Clover Inc. and Affiliates,
New Orleans, Louisiana.

Report on the Audit of the 2023 Consolidated Financial Statements

Opinion on the 2023 Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Clover Inc. and Affiliates (the "Organization") (a non-profit organization) which comprise the consolidated statement of consolidated financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the 2023 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Clover Inc. and Affiliates as of June 30, 2023, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion on the 2023 Consolidated Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to consolidated financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management on the 2023 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

P.O. BOX 60600 • NEW ORLEANS, LA 70160-0600 • 504•831•4949 • BOURGEOISBENNETT.COM
P.O. BOX 2168 • HOUMA, LA 70361-2168 • 985•868•0139
34 LOUIS PRIMA, SUITE B • COVINGTON, LA 70433-5903 • 985•246•3022

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 2023 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information of the 2023 Consolidated Financial Statements

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedule (page 33) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Schedule 1 is required by Louisiana Revised Statute 24:513(a)(3). Such information in the supplemental schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards* of the 2023 Consolidated Financial Statements

In accordance with *Government Auditing Standards*, we have also issued our report, dated March 27, 2024 on our consideration of the Organization's internal control over consolidated financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreement, and other matters. The purpose of that report is to describe the scope of our testing of internal control over consolidated financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over consolidated financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over consolidated financial reporting and compliance.

Auditor's Report on the of the 2022 Consolidated Financial Statements and Summarized Comparative Information

The 2022 consolidated financial statements of Clover Inc. and Affiliates as of and for the year ended June 30, 2022, were audited by other accountants whose report dated March 31, 2023, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
March 27, 2024.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Clover Inc. and Affiliates
New Orleans, Louisiana

June 30, 2023
(with comparative totals for 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 4,678,348	$ 2,586,597
Accounts receivable:		
Government contracts	803,664	803,696
Other	302,142	7,067
Unconditional promises to give, net	504,143	1,348,424
Prepaid expenses	658,465	392,067
Investments	3,733,226	2,836,370
Property and equipment, net	10,723,982	11,330,326
Total assets	$21,403,970	$19,304,547
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,130,876	$ 1,140,368
Accrued payroll and related liabilities	357,032	466,465
Refundable advances	230,009	227,711
Line of credit	-	300,000
Note payable	1,069,968	1,215,922
Total liabilities	2,787,885	3,350,466
NET ASSETS		
Without donor restrictions:		
Undesignated	12,983,216	11,153,007
Designated	3,079,647	2,278,998
With donor restrictions	2,553,222	2,522,076
Total net assets	18,616,085	15,954,081
Total liabilities and net assets	$21,403,970	$19,304,547

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES

Clover Inc. and Affiliates
New Orleans, Louisiana

For the year ended June 30, 2023
(with comparative totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals Only
Revenues and Other Support				
Governmental support and grants	$14,818,535	$ -	14,818,535	$12,103,434
Contributions	791,357	-	791,357	608,643
Foundation and corporate grants	3,272,922	664,734	3,937,656	2,259,208
Fundraising	48,578	-	48,578	25,299
Investment income (loss)	262,072	63,220	325,292	(288,260)
Program fees	245,001	-	245,001	114,790
United Way funding	40,712	-	40,712	150,500
Other income	318,702	-	318,702	370,244
Gain on extinguishment of debt	-	-	-	2,457,000
Net assets released from restrictions:	696,808	(696,808)	-	-
Total revenues and other support	20,494,687	31,146	20,525,833	17,800,858
Expenses				
Program services:				
Head Start	4,560,294	-	4,560,294	4,441,100
Youth Program	193,608	-	193,608	170,255
Adult Day Health Care	909,870	-	909,870	689,054
2 Gen	676,213	-	676,213	524,517
Early Head Start	7,479,553	-	7,479,553	6,621,983
K-Prep	32,283	-	32,283	-
Community and Supportive Services	204,686	-	204,686	232,462
Participant Meal Program	562,451	-	562,451	368,541
Total program services	14,618,958	-	14,618,958	13,047,912
Supporting services:				
General and administrative	2,790,476	-	2,790,476	3,257,891
Fundraising	454,395	-	454,395	356,594
Total supporting services	3,244,871	-	3,244,871	3,614,485
Total expenses	17,863,829	-	17,863,829	16,662,397
Increase in net assets from operations	2,630,858	31,146	2,662,004	1,138,461
Net Assets				
Beginning of year	13,432,005	2,522,076	15,954,081	14,815,620
End of year	$16,062,863	$2,553,222	$18,616,085	$15,954,081

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Clover Inc. and Affiliates
New Orleans, Louisiana

For the year ended June 30, 2023
(with comparative totals for 2022)

	2023												
	Head Start	Youth Program	Adult Day Health Care	2 Gen	Early Head Start	K-Prep	Community and Supportive Services	Participant Meal Program	Total Program Services	General and Administrative	Fundraising	Total Expenses	2022 Totals Only
Salaries and wages	$2,170,430	$ 22,990	$443,962	$265,626	$3,671,921	$32,245	$ 75,525	$ 91,940	$ 6,774,639	$1,015,476	$ 140,633	$ 7,930,748	$ 7,405,294
Employee benefits:												-	
Health insurance	204,476	477	53,905	23,954	335,713	-	7,184	17,106	642,815	39,527	1,387	683,729	878,293
Retirement	56,631	185	7,379	5,779	99,149	-	2,639	2,996	174,758	19,065	1,290	195,113	199,470
Other	6,946	22	1,178	813	12,001	-	302	353	21,615	2,297	171	24,083	30,128
Payroll taxes	200,659	2,823	42,730	22,904	338,502	-	7,339	8,983	623,940	91,237	7,465	722,642	745,996
Total personnel and related expenses	2,639,142	26,497	549,154	319,076	4,457,286	32,245	92,989	121,378	8,237,767	1,167,602	150,946	9,556,315	9,259,181
												-	
Advertising	12,853	454	517	-	28,034	-	739	224	42,821	19,379	109,301	171,501	84,606
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	168
Conference, conventions, and meetings	28,492	255	1,008	1,079	44,008	-	972	766	76,580	14,723	87,019	178,322	75,667
Dues and subscriptions	12,369	626	2,245	38	16,337	38	1,223	903	33,779	11,649	13,909	59,337	50,181
Field trips	20,828	2,332	-	45	7,225	-	-	-	30,430	-	-	30,430	4,551
Food service	41,748	21,903	13,795	236	62,830	-	6,350	384,612	531,474	13,777	757	546,008	422,086
Insurance	155,635	8,964	53,576	-	170,132	-	3,861	4,455	396,623	48,645	8,189	453,457	245,366
Interest expense	-	-	-	-	-	-	-	-	-	23,121	-	23,121	97,315
Janitorial and housekeeping	68,769	16,550	8,781	890	35,819	-	2,578	11,948	145,335	93,135	3,223	241,693	473,336
Office and printing	40,544	4,799	9,352	630	52,630	-	8,339	2,689	118,983	29,034	15,077	163,094	120,681
Miscellaneous expenses	754	123	603	-	1,190	-	75	106	2,851	6,994	2,526	12,371	3,792
Professional services	694,789	18,122	73,183	285,563	261,006	-	11,641	9,647	1,353,951	420,913	56,917	1,831,781	2,055,172
Programming	184,283	1,596	46,657	8,082	1,426,874	-	5,522	2,985	1,675,999	50,955	8,122	1,735,076	1,454,632
Rent	949	-	-	-	3,385	-	-	-	4,334	-	-	4,334	104
Repairs and maintenance	136,876	19,629	8,730	-	75,329	-	3,669	9,468	253,701	103,468	8,441	365,610	129,063
Software and IT	186,369	17,010	25,674	55,219	244,595	-	8,275	10,914	548,056	110,195	11,480	669,731	396,410
Specific assistance	4,141	945	-	-	11,500	-	49,076	-	65,662	498	-	66,160	70,137
Supplies	11,148	89	177	1,347	225,295	-	54	77	238,187	1,104	40	239,331	48,595
Taxes and fees	23	10	4,463	-	108	-	2	-	4,606	1,110	3,500	9,216	43,741
Training	20,991	1,250	158	-	29,813	-	-	425	52,637	1,497	-	54,134	93,385
Travel and transportation	52,905	1,863	50,000	4,008	127,368	-	750	250	237,144	22,366	284	259,794	195,936
Utilities	132,238	28,633	46,921	-	128,801	-	4,412	1,604	342,609	124,863	5,643	473,115	415,953
	4,445,846	171,650	894,994	676,213	7,409,565	32,283	200,527	562,451	14,393,529	2,265,028	485,374	17,143,931	15,740,058
Depreciation	114,448	21,958	14,876	-	69,988	-	4,159	-	225,429	525,448	60,854	811,731	922,346
Less special events direct benefit to donors	-	-	-	-	-	-	-	-	-	-	(91,833)	(91,833)	-
Total expenses	$4,560,294	$193,608	$909,870	$676,213	$7,479,553	$32,283	$204,686	$562,451	$14,618,958	$2,790,476	$ 454,395	$17,863,829	$16,662,404

See notes to financial statements.

STATEMENT OF CASH FLOWS

Clover Inc. and Affiliates
New Orleans, Louisiana

For the year ended June 30, 2023
(with comparative totals for 2022)

	2023	2022
Cash Flows From Operating Activities		
Increase in net assets	$2,662,004	$1,138,461
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation	811,731	922,346
Donated securities	-	(152,984)
Realized and unrealized loss (gain) on investments	(277,466)	298,557
Bad debt expense	-	41
Gain on extinguishment of debt	-	(2,457,000)
(Increase) decrease in operating assets:		
Accounts receivable	(295,043)	(344,717)
Promises to give	844,281	644,000
Prepaid expenses	(266,398)	(73,885)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(9,492)	430,447
Accrued payroll and related liabilities	(109,433)	52,570
Refundable advances	2,298	(391,384)
Net cash provided by operating activities	3,362,482	66,452
Cash Flows From Investing Activities		
Purchase of property and equipment	(205,387)	-
Sales and maturities of investments	52,690	52,569
Purchase of investments	(672,080)	(242,966)
Net cash used in investing activities	(824,777)	(190,397)

	2023	2022
Cash Flows From Financing Activities		
Borrowings under line of credit	-	300,000
Repayments of line of credit	(300,000)	-
Repayments of long-term debt	(145,954)	(145,953)
Net cash provided by (used in) financing activities	(445,954)	154,047
Net Increase in Cash and Cash Equivalents	2,091,751	30,102
Cash		
Beginning of year	2,586,597	2,556,495
End of year	$4,678,348	$2,586,597

See notes to financial statements.

Supplemental Disclosures of Cash Flows Information

Cash paid for interest	$ 23,121	$ 97,315
Non-cash financing of insurance premiums	$ 145,177	$ 170,600

NOTES TO FINANCIAL STATEMENTS

Clover Inc. and Affiliates
New Orleans, Louisiana

June 30, 2023 and 2022

Note 1 - ORGANIZATION AND PROGRAMMING

Clover Inc. and Affiliates (the "Organization") is a not-for-profit corporation and is a United Way agency serving Southeast Louisiana. The Organization obtains funds from Federal and state governmental grants and private donor contributions. The affiliates of the Organization include Clover Foundation, Inc., 1542 Constance Street, Inc. and Clover Investment Fund, LLC. On September 27, 2022, Kingsley House, Inc. and Kingsley House Foundation, Inc. changed their names to Clover, Inc. and Clover Foundation, Inc., respectively.

Clover Foundation, Inc. (the "Foundation") is a Louisiana not-for-profit entity which was organized on May 28, 2013 for the purpose of serving as the fundraising arm to Clover, Inc. The Foundation is considered a supporting organization under Internal Revenue Code 509(a)(3). The Foundation is governed by a board of directors with at least 60% of the board being comprised of the Organization board members.

1542 Constance Street, LLC was formed on August 6, 2013 for the purpose of building the Patrick F. Taylor campus (the "Project") located at municipal address 901 Richard Street, directly across from the Organization's main campus. The Organization serves as the sole member of the entity and is responsible for its management. The facility was opened in August 2016.

On January 23, 2015, 1542 Constance Street, LLC was changed to a corporation, 1542 Constance Street, Inc., for the purpose of securing New Markets Tax Credits related to construction of a new facility to serve the community.

Programs provided by the Organization are as follows:

Head Start - A state licensed Head Start center is provided for 339 children.

Early Head Start - A state licensed Early Head Start center for 220 children. The Organization is an Early Head Start/Child Care Partnership Start grantee. Through a competitive grant process, in December of 2014 the Organization was selected as one of four grantees in the state of Louisiana. The consolidated grant allows the Organization to operate the most diverse model in the State of Louisiana.

Note 1 - ORGANIZATION AND PROGRAMMING (Continued)

Adult Day Health Care - The Organization operates an adult day health care program licensed for 158 elderly or disabled adults and a senior center for persons over 60 years old.

Participant Meals Program - The Organization operates two full kitchens to prepare and serve breakfast, lunch, and snacks to participants in the Head Start, Early Head Start, Youth Program and Adult Day Health Care programs.

Community and Supportive Services - The Organization provides intensive case management services for former St. Bernard Housing Development residents as they resettle in a redeveloped mixed income community.

K-Prep - The Organization provides kindergarten preparedness in the form of a before/aftercare program offered to parents who need extended services beyond the Head Start day. Families who qualify for the state's child care assistance program have no out-of-pocket costs. Staff provide stimulating, enriching activities that assist in preparing children with readiness and foundation skills in preparation for kindergarten.

Youth Program - The Organization operates a full day summer camp program.

Whole Family - The Organization provides a whole family approach to mitigate poverty and provide employment opportunities for participants.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Organization are summarized as follows:

a. Basis of Accounting

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America on the accrual basis of accounting. The Financial Accounting Standards Board (FASB) is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial Statement Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Support, revenue, and expenses for general operations.

Net Assets With Donor Restrictions - Contributions and grants specifically authorized by the donor or grantor to be used for a certain purpose or to benefit a specific accounting period or contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the Organization.

c. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

d. Cash and Cash Equivalents

The Organization classifies as cash and cash equivalents all highly liquid debt instruments with an initial maturity of three months or less. As of June 30, 2023 and 2022, there were no cash equivalents.

All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

e. Accounts Receivable

Accounts receivable are reported in the statements of financial position at net realizable value. An allowance for doubtful accounts is recognized by the Organization based upon a review of specific customers' balances, historical losses (bad debts) incurred and general economic conditions. Allowances are provided for accounts receivable including grants when these are estimated to be uncollectible. Once accounts are determined to be uncollectible, they are written off to bad debt expense. No allowance for uncollectible accounts has been provided, as management has evaluated the accounts and believes they are all collectible.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give as of June 30, 2023 and 2022.

Unconditional promises are recorded net of an allowance for uncollectible amounts approximate by the management of the Organization. There is no allowance recorded as of June 30, 2023 and 2022 as management believes all promises to give are collectible.

g. Investments

Investments are generally carried at fair market value. Investments acquired through donations are recorded at fair market value on the date of the donation. During the years ended June 30, 2023 and 2022, investments of $2,593 and $152,984, respectively, were donated to the Organization.

h. Property and Equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	Useful Lives
Building	5 to 25 years
Improvements	10 to 25 years
Transportation equipment	5 years
Furniture, fixtures, and equipment	5 to 25 years

i. Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment when events or changes in circumstances indicate that the carrying amounts of such assets may not be recoverable. No impairments have been identified for the years ended June 30, 2023 and 2022.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Revenue Recognition

The FASB issued Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers*" (Topic 606). This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services.

The Organization recognizes revenue from contracts with customers when commercial substance exists, approvals have been obtained and commitment to perform exists, rights of both parties and payment terms are identifiable, and collection is probable.

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. Management assesses each good or service promised in a contract and identifies each promise as a performance obligation. The transaction price is the amount of consideration (fixed or variable) expected to be received in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. If the considerations promised in a contract include a variable amount, management will estimate the amounts to which it expects to be entitled using the most-likely-amount method. Estimated amounts are only included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue will not occur when the uncertainty associated with the variable consideration is received. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

The contract asset "contract receivables" represents revenues that have been earned and billed from program services and exchange-type grants. These are included in accounts receivable on the Consolidated Statement of Financial Position. The contract liability "refundable advances" represents amounts received prior to the satisfaction of related performance obligations, and which are deferred to the applicable reporting period.

Contract assets and liabilities for the years ended June 30, 2023 and 2022 are as follows:

	Contract Receivables	Contract Liabilities
July 1, 2021	$35,631	$619,095
June 30, 2022	$5,570	$227,711
June 30, 2023	$25,215	$230,009

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Revenue Recognition (Continued)

Program Service Fees and Exchange-Type Grants

Program service fees and exchange-type grants and contracts revenue are recognized when services are provided. Program fees and payments under exchange-type grants and contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

k. Grants

The Organization has contracts with government and third parties for the performance of various services, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Government and other grants revenues are nonexchange transactions in which no commensurate value is exchanged. Accordingly, contribution accounting is applied under Financial Accounting Standards Board Accounting Standards Codification Topic 958, (ASC 958), *Not-for-Profit Entities.* Government and other grants are evaluated for contributions that are conditional. The Organization recognizes revenue as expenses are incurred, to a maximum of the grant award.

l. Contributions

The Organization reports gifts of cash and other assets as with donor restriction if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

m. Functional Allocation of Expenses

As required under the FASB issued ASU No. 2016-14, "*Not-for-Profit Entities*" (Topic 958), the Organization has presented a consolidated statement of functional expense as part of its consolidated audited financial statements. The financial statements of the Organization report certain categories of expenses that are attributable to more than one program or supporting function. The majority of expenses are allocated based on actual time and effort. However, certain supplies, technology, and utilities expenses require allocation based on the headcount of program participants served. Depreciation and insurance expenses are allocated based on the square footage of the Organization's campus.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Advertising Costs

Advertising costs are expensed as incurred, and totaled $171,501 and $84,606 during the years ended June 30, 2023 and 2022, respectively.

o. Tax Matters

The Organization is exempt from income taxes under Section 50l(c)(3) of the U.S. Internal Revenue Code. The Foundation is exempt from income taxes under Section 509(a)(3) of the U.S. Internal Revenue Code. 1542 Constance Street, Inc. is exempt from income taxes under Section 50l(c)(3) of the U.S. Internal Revenue Code. Clover Investment Fund, LLC is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code as a disregarded entity of the Organization.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2023, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Tax years ended June 30, 2020 and later remain subject to examination by the taxing authorities.

p. Recently Issued Accounting Standards

Leases

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the Consolidated Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Consolidated Statement of Activities and the Consolidated Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The Organization adopted this standard during the year ended June 30, 2023. The adoption of this standard did not have a material effect on the Organization's consolidated financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Recently Issued Accounting Standards (Continued)

Lease Discount Rate

In November 2021, the FASB issued ASU No. 2021-09, "*Leases*" (Topic 842) "*Lease Discount Rate for Lessees That Are Not Public Business Entities*" currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. Entities that have not yet adopted Topic 842 are required to adopt the amendments in this update at the same time that they adopt Topic 842. The Organization adopted this standard during the year ended June 30, 2023. The adoption of this standard did not have a material effect on the Organization's consolidated financial statements.

Measurement of Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, "*Financial Instruments - Credit Losses*" (Topic 326). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU.

The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk. The ASU is effective for fiscal years beginning after December 15, 2022. Management is currently assessing the impact of this pronouncement on its consolidated financial statements.

q. Reclassifications

Certain amounts in the 2022 consolidated financial statements have been reclassified to conform to the 2023 consolidated financial statement presentation.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through March 27, 2024, which is the date the consolidated financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents and tuition and fees receivable.

The Organization maintains its cash balances in various financial institutions where the accounts are insured by Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. Amounts held in financial institutions are occasionally in excess of the FDIC limits. As of June 30, 2023, cash deposits in excess of FDIC limits totaled approximately $4,116,000.

Note 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of June 30, 2023 and 2022 are as follows:

	2023	2022
Unconditional promises to give:	$512,288	$1,417,380
Less unamortized discount	(8,145)	(68,956)
Net unconditional promises to give	$504,143	$1,348,424
Amounts due in:		
Less than one year	$443,000	$ 993,428
One to five years	69,288	423,952
	$512,288	$1,417,380

A discount rate of 9% and 4% was used to calculate the present value of estimated future cash flows of unconditional promises to give as of June 30, 2023 and 2022, respectively. Management has determined that no allowance for uncollectible promises to give should be recorded as of June 30, 2023 and 2022.

Note 4 - INVESTMENTS (Continued)

Investments as of June 30, 2023 and 2022 are comprised of the following:

	2023		
	Cost	Fair Market Value	Excess of Market Over Cost (Cost Over Market)
Equity securities	$ 446,374	$ 1,009,459	$ 563,085
Corporate bonds	495,570	459,559	(36,011)
Exchange traded funds	106,305	361,060	254,755
Mutual funds	7,782	7,782	-
Individual investment securities managed by financial institutions	1,056,031	1,837,860	781,829
Greater New Orleans Foundation Pooled Investment Fund	1,575,277	1,895,366	320,089
Totals	$ 2,631,308	$ 3,733,226	$ 1,101,918

	2022		
	Cost	Fair Market Value	Excess of Market Over Cost (Cost Over Market)
Equity securities	$ 424,507	$ 867,990	$ 443,483
Corporate bonds	489,489	460,331	(29,158)
Exchange traded funds	106,305	318,152	211,847
Mutual funds	6,602	6,602	-
Individual investment securities managed by financial institutions	1,026,903	1,653,075	626,172
Greater New Orleans Foundation Pooled Investment Fund	975,277	1,183,295	208,018
Totals	$ 2,002,180	$ 2,836,370	$ 834,190

Note 4 - INVESTMENTS (Continued)

	2023		
	Cost	Market	Excess of Market Over Cost
Balances, June 30, 2023	$2,631,308	$3,733,226	$1,101,918
Balances, June 30, 2022	$2,002,180	$2,836,370	834,190
Increase in unrealized appreciation			267,728
Net realized gain			9,738
Interest and dividend income			72,080
Investment expense			(24,254)
Total investment gain, net			$ 325,292

	2022		
	Cost	Market	Excess of Market Over Cost
Balances, June 30, 2022	$2,002,180	$2,836,370	$ 834,190
Balances, June 30, 2021	$1,803,845	$2,794,546	990,701
Decrease in unrealized appreciation			(156,511)
Net realized loss			(159,555)
Interest and dividend income			48,202
Investment expense			(20,396)
Total investment gain, net			$ (288,260)

Note 5 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2023 and 2022.

- *Equity Securities, Corporate Bonds:* Valued at the closing price reported on the active market on which the individual securities are traded. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models or quoted prices of securities with similar characteristics. The investments held by the Organization are deemed to be actively traded and included in Level 1 of the fair value hierarchy.

- *Exchange Traded Funds and Mutual Funds:* Valued at the daily closing price as reported by the fund. Funds held by the Organization are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Organization are deemed to be actively traded and included in Level 1 of the fair value hierarchy.

- *Investment Pools:* These investments are held in pooled assets managed by the Greater New Orleans Foundation (GNOF). The values of the Organization's investments in these pools are based on information provided by GNOF. These investments are reported at NAV which approximates fair value.

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

Investments measured at fair value using NAV practical expedient have not been categorized in the fair value hierarchy, and have no fixed redemption frequency or notice periods, and no unfunded commitments as of June 30, 2023 and 2022.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while plan management believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value on a recurring basis as of June 30, 2023 and 2022, are comprised of and determined as follows:

	2023			
		Based on		
Description	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities	$ 1,009,459	$ 1,009,459	$ -	$ -
Corporate bonds	459,559	459,559	-	-
Exchange traded funds	361,060	361,060	-	-
Mutual funds	7,782	7,782	-	-
Total assets at fair value	$ 1,837,860	$ 1,837,860	$ -	$ -
Investments recorded at NAV as practical expedient (a)	1,895,366			
	$ 3,733,226			

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

	2022			
	Based on			
Description	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities	$ 867,990	$ 867,990	$ -	$ -
Corporate bonds	460,331	460,331	-	-
Exchange traded funds	318,152	318,152	-	-
Mutual funds	6,602	6,602	-	-
Total assets at fair value	$1,653,075	$1,653,075	$ -	$ -
Investments recorded at NAV as practical expedient [a]	$1,183,295			
	$2,836,370			

[a] In accordance with Subtopic 820-10, certain investments that were measured at NAV per share have not been classified in the fair value hierarchy.

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarized investments measured at fair value based on NAV per share as of June 30, 2023 and 2022.

Description	Fair Value June 30, 2023	Fair Value June 30, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled investment funds	$1,895,366	$1,183,295	N/A	Daily	N/A

As of June 30, 2023 and 2022, there were no assets measured at fair value on a non-recurring basis.

Note 6 - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2023 and 2022 consists of the following:

	2023	2022
Land	$ 1,095,967	$ 1,095,967
Building	20,494,642	20,494,642
Improvements	257,311	262,822
Furniture, fixtures, and equipment	1,929,239	1,769,674
Transportation equipment	407,238	387,008
	24,184,397	24,010,113
Less: accumulated depreciation	(13,460,415)	(12,679,787)
Totals	$ 10,723,982	$ 11,330,326

Depreciation expense for the years ended June 30, 2023 and 2022 totaled $811,731 and $922,346, respectively.

Note 7 - COMPENSATED ABSENCES AND ACCRUED EMPLOYEE BENEFITS

Certain full time employees are entitled to paid time off depending on length of service and other factors. Accrued paid time off included in accrued payroll and related liabilities on the Consolidated Statement of Financial Position was $349,939 and $454,621 as of June 30, 2023 and 2022, respectively.

Note 8 - LINE OF CREDIT

The Organization has an unsecured $500,000 line of credit with a bank that bears interest at the bank's prime rate adjusting daily minus 2%, with a floor rate of 3.75%. As of June 30, 2023 and 2022, interest on the line was 6.25% and 3.75%, respectively. The line of credit matures May 8, 2024. The amount outstanding under the line of credit was $300,000 as of June 30, 2022. There was no amount outstanding under the line of credit as of June 30, 2023.

Note 9 - NOTES PAYABLE

As of June 30, 2023 and 2022 notes payable consist of the following:

	2023	2022
Note payable with the State of Louisiana, Division of Administration, Office of Community Development (OCD) in the amount of $2,000,000, bearing interest at 1.00%, and maturing March 10, 2030. Principal and interest payments are due monthly in the amount of $13,585 with all remaining principal and interest due March 10, 2030. The note is secured with a mortgage and security agreement on property owned by 1542 Constance Street, Inc.	$1,069,968	$1,215,922

Scheduled maturities of notes payable as of June 30, 2023 are as follows:

Year Ending June 30,	
2024	$ 153,089
2025	154,627
2026	156,180
2027	157,749
2028	159,334
Thereafter	288,989
Total	$1,069,968

Note 10 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2023 and 2022, the Organization paid entities owned by board members $41,179 and $4,613 for services provided during the years ended June 30, 2023 and 2022, respectively.

Note 11 - BOARD DESIGNATIONS

It is the policy of the Board of Directors of the Organization to review its plans for future property improvements, acquisitions, and program services and to designate appropriate unrestricted net assets to ensure adequate financing. As of June 30, 2023 and 2022, the Organization had board-designated funds totaling $3,079,647 and $2,278,998.

Note 12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2023 and 2022 are as follows:

	2023	2022
Subject to expenditure for specific purpose:		
W.K. Kellogg Foundation Grant	$ 589,860	$ 177,995
Tom & Gayle Benson Foundation	381,457	212,194
Humana	174,734	-
JPMC Career Pathways	150,000	-
GNOF Specific Assistance	32,700	32,700
GNOF Financial Literacy	25,501	25,501
Prat Stanton	20,000	20,000
Philant	21,250	21,250
United Way	-	85,000
Perpetually restricted endowment contributions	653,577	599,012
Subject to passage of time:		
125th Birthday Campaign Pledges	304,143	979,161
Tom & Gayle Benson Foundation Pledge	200,000	369,263
Total net assets with donor restrictions	$2,553,222	$2,522,076

Net assets released from restrictions for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Purpose restrictions satisfied:		
W.K. Kellogg Foundation Grant	$136,214	$100,342
United Way	85,000	102,236
GNOF Economic Workforce Opportunity	-	57,793
GNOF Specific Assistance	-	23,849
Miscellaneous	8,655	5,248
Time restrictions satisfied		
125th Birthday Campaign Pledges	466,939	279,276
Total net assets with donor restrictions	$696,808	$568,744

Note 13 - ENDOWMENT

The Endowments. The endowment consists of two individual funds, established for the purpose of fulfilling the Organization's mission and accomplishing its goals. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law. The Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as expressly requiring the preservation of the historical dollar value for donor restricted endowment funds absent explicit donor stipulations to the contrary.

The following are classified as net assets with donor restrictions in the accompanying financial statements:

- The original value of gifts donated to the endowment;
- The original value of subsequent gifts to the endowment; and
- Accumulations to the endowment that are required to be held in perpetuity.

The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the language of SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

Note 13 - ENDOWMENT (Continued)

Net endowment assets as of June 30, 2023 and 2022 consist of the following:

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$653,577	$653,577

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Totals
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$599,012	$599,012

Note 13 - ENDOWMENT (Continued)

Changes in Endowment funds net assets for the years ended June 30, 2023 and 2022 are as follows:

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment net assets, beginning of the year	$ -	$ 599,012	$ 599,012
Investment income	-	63,220	63,220
Distributions	-	(8,655)	(8,655)
Donor-restricted endowment funds	$ -	$ 653,577	$ 653,577

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment net assets, beginning of the year	$ -	$ 453,233	$ 453,233
Gifts	-	225,000	225,000
Investment loss	-	(75,721)	(75,721)
Distributions	-	(3,500)	(3,500)
Donor-restricted endowment funds	$ -	$ 599,012	$ 599,012

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur after the investment of contributions held in perpetuity. There were no such deficiencies as of June 30, 2023 and 2022.

Return Objectives, Risk Parameters and Strategies. The primary financial objective of the Endowments is to increase the real (inflation-adjusted) purchasing power of endowment net assets and income after accounting for endowment spending, inflation, and costs of investment management. Endowment assets are invested in a well-diversified asset mix, which includes equity securities, fixed income securities and alternative investments that is intended to meet this objective. The Endowment has established a 5% real rate of return objective for the portfolio. Actual returns in any given year may vary from this amount. Investment assets and allocation between asset classes and strategies are managed to not expose the endowment assets to unacceptable levels of risk.

Note 13 - ENDOWMENT (Continued)

Spending Policy. The Endowment follows a Total Return Spending Policy. Endowment funds are invested for maximum total return (within acceptable risk parameters), without distinction between income and capital gains. The market value of the fund is measured over the past 12 quarters, and a percentage of the average of those values is made available for distributions. This method appropriately puts the focus on the long-term growth of the fund. This, in turn, encourages the appropriate use of equities in the fund, helping the fund to grow at a rate greater than inflation. The annual percentage for 2023 and 2022 distributions were approximately 4%. This percentage is evaluated each year and adjusted, as necessary.

Note 14 - SPECIAL EVENT REVENUE

Gross receipts from special fundraising events recorded by the Organization consist of exchange transaction revenue and contribution revenue. Those amounts for the years ended June 30, 2023 and 2022 are summarized as follows:

	2023	2022
Special event ticket sales	$ 56,877	$ -
Contributions	55,936	-
Special events - gross	112,813	-
Less: cost of direct donor benefit	(91,833)	-
Special events - net	$ 20,980	$ -

The special events net revenue is included in fundraising on the Consolidated Statement of Activities.

Note 15 - EMPLOYEE BENEFIT PLAN

The Organization maintains a 403(b) retirement plan for the benefit of all eligible employees, whereby the employees may elect to defer compensation pursuant to a salary reduction agreement. The Organization contributes a match as described in the plan documents. Contributions for the period July 1, 2020 through June 30, 2023 are based on a percentage that is set by management each year. For both of the years ended June 30, 2023 and 2022, that rate was 3.5% of plan participants' salaries. Total retirement plan expense was $195,113 and $199,470 for the years ended June 30, 2023 and 2022, respectively.

Note 16 - AVAILABILITY OF FINANCIAL ASSETS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization receives grants and contributions with donor restrictions. In addition, the Organization generates revenue and receives support without donor restrictions. To help manage unanticipated liquidity needs, the Organization has available a line of credit in the amount of $500,000.

The following reflects the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general use because of grantor or donor-imposed restrictions.

	2023	2022
Financial assets:		
Cash and cash equivalents	$4,678,348	$2,586,597
Accounts receivable	1,105,806	810,763
Unconditional promises to give, net	504,143	1,348,424
Investments	3,733,226	2,836,370
Total financial assets	10,021,523	7,582,154
Less amounts unavailable for general expenditures within one year, due to:		
Grantor and donor imposed restrictions:		
Restricted by grantors and donors with purpose restriction	(2,049,079)	(1,173,652)
Restricted by donors with time restriction	(61,143)	(354,996)
Financial assets available to meet cash needs for general expenditures before governing board designations	7,911,301	6,053,506
Less governing board designations	(3,079,647)	(2,278,998)
Financial assets available to meet cash needs for general expenditures within one year	$4,831,654	$3,774,508

Note 17 - COMMITMENTS AND CONTINGENCIES

Clover Foundation, Inc. is a guarantor in a credit agreement between Clover and a lender. The note payable balance as of June 30, 2023 and 2022 was $1,069,968 and $1,215,922, respectively.

The Organization received a portion of its revenue from government grants, which are subject to audit by the respective funding source. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by such governmental units. Until such audits have been completed and final settlement is reached, there exists a contingency to refund any amount received in excess of allowance costs. Management is of the opinion that no material liability will result from any such audits.

The Organization is partnered with Bayou District Foundation (a local nonprofit organization) and Educare New Orleans (a national nonprofit organization) to operate an early childhood program. The Organization has an agreement to manage and operate the program through June 2024. The Organization receives fees on a reimbursement basis plus a management fee to operate the program.

Note 18 - ECONOMIC DEPENDENCE

For the years ended June 30, 2023 and 2022, approximately 72% and 68% of the Organization’s revenues came from governmental support and grants, respectively.

Note 19 - RISKS AND UNCERTAINTIES

In general, investment securities are exposed to various risks, such as interest rate, currency, credit, and market volatility. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in risk in the near term would materially affect the fair market value of investments held by the Organization.

SUPPLEMENTARY INFORMATION

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Clover Inc. and Affiliates
New Orleans, Louisiana

For the year ended June 30, 2023

Agency Head Name: Keith Liederman, Chief Executive Officer

Purpose	
Salary	$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	$ - *

* None of the Chief Executive Officer's salary, benefits, and other compensation is paid through public funding.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors,
Clover Inc. and Affiliates,
Louisiana, Louisiana.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the consolidated financial statements of Clover Inc. and Affiliates (a non-profit organization) (the "Organization") which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, which collectively comprise the Organization's consolidated financial statements, and have issued our report thereon dated March 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

P.O. BOX 60600 • NEW ORLEANS, LA 70160-0600 • 504•831•4949 • BOURGEOISBENNETT.COM
P.O. BOX 2168 • HOUMA, LA 70361-2168 • 985•868•0139
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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
March 27, 2024.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors,
Clover Inc. and Affiliates,
New Orleans, Louisiana.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Clover, Inc. and Affiliates (the "Organization") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.
March 27, 2024.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Clover Inc. and Affiliates
New Orleans, Louisiana

For the year ended June 30, 2023

Federal Grantor/Program Title	Assistance Listing Number	Grant or Pass-Through Number	Federal Expenditures
United States Department of Health and Human Services			
Head Start/Early Head Start	93.600	06CH011848-02	$ 3,774,774
Head Start/Early Head Start	93.600	06CH011848-03	5,780,132
Early Head Start Child Care Partnership	93.600	06HP000365/03	779,071
Early Head Start Child Care Partnership	93.600	06HP000365/04	2,213,955
Head Start - American Rescue Plan	93.600	06HE001156-01-01	62,080
Head Start - COVID	93.600	06HE001156-01-01	761,538
Total Head Start Cluster			13,371,550
U.S. Department of Agriculture			
Pass-through Programs From:			
Louisiana Department of Education:			
Child and Adult Care Food Program:			
Preschool / Early Head Start / School Age / Adult	10.558	CC93-432	562,449
U.S. Department of Homeland Security			
Emergency Food and Shelter Program	97.024	365800-060	2,499
Total			564,948
Total expenditures of federal awards			$13,936,498

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Clover Inc. and Affiliates
New Orleans, Louisiana

For the year ended June 30, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Clover Inc. and Affiliates (the "Organization"). The Organization's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2023. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

b. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 to the Organization's financial statements for the year ended June 30, 2023. The Organization has elected not to use the 10% *de minimus* indirect cost rate as allowed under Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Clover Inc. and Affiliates
New Orleans, Louisiana

For the year ended June 30, 2023

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the consolidated financial statements: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ____ Yes _X_ None reported

Noncompliance material to financial statements noted? ____ Yes _X_ No

b) Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ____ Yes _X_ No

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ____ Yes _X_ No

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

Assistance Listing Number	Name of Federal Program
93.600	United States Department of Health and Human Services Head Start/Early Head Start Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as a low-risk auditee? ____ Yes _X_ No

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Consolidated Financial Statements

Internal Control Over Financial Reporting

No internal control over consolidated financial reporting findings were reported during the audit for the year ended June 30, 2023.

Compliance and Other Matters

No compliance findings material to the consolidated financial statements were reported during the audit for the year ended June 30, 2023.

Section III - Federal Award Findings and Questioned Costs

Internal Control/Compliance

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended June 30, 2023 related to internal control and compliance material to federal awards.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Clover Inc. and Affiliates
New Orleans, Louisiana

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Consolidated Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings were reported during the audit for the year ended June 30, 2022.

Compliance and Other Matters

A compliance finding material to the consolidated financial statements was reported during the audit for the year ended June 30, 2022. See corrective action below.

Section II - Internal Control and Compliance Material to Federal Awards

2022-002 Compliance with Annual Filing Deadline

Recommendation - Predecessor auditors recommended that management make every effort to submit its financials within the six months after year end as required by law.

Management's Response/Corrective Action - Resolved. For the year ended June 30, 2023 the Organization received an extension from the Louisiana Legislative Auditor and appropriately submitted the consolidated financial statements for the year ended June 30, 2023 within the extension period. Due to the nature of that extension a late finding is not required.

Section III - Management Letter

A management letter was not issued in connection with the audit of the consolidated financial statements for the year ended June 30, 2022.

clover
Formerly Kingsley House

CLOVER, INC. AND AFFILIATES
CORRECTIVE ACTION PLAN FOR FISCAL YEAR 2023 AUDIT

For the Year Ended June 30, 2023

Name of Responsible Person: Glenn W. Gruber, CPA
Chief Financial Officer
Glenn.gruber@clovernola.org

Compliance Finding 2022-002: Compliance with Annual Filing Deadline

Louisiana Revised Statute 24:513 requires that all engagements be completed and transmitted to the legislative auditor within six months of the close of the auditee's fiscal year.

Management's Response/Corrective Action

Resolved. For the year ended June 30, 2023, the Organization received an extension from the Louisiana Legislative Auditor and appropriately submitted the consolidated financial statements for the year ended June 30, 2023 within the extension period. Due to the nature of that extension, a late finding is not required.

Completion Date: 06/30/2023

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Clover Inc. and Affiliates,
New Orleans, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2022 through June 30, 2023. Clover Inc. and Affiliates (the "Organization") management is responsible for those C/C areas identified in the SAUPs.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards.* We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statue 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
March 27, 2024.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS OF THE STATEWIDE AGREED-UPON PROCEDURES

Clover, Inc. and Affiliates

New Orleans, Louisiana

For the year ended June 30, 2023

The required procedures and our findings are as follows:

1. Procedures Performed on the Organization's Written Policies and Procedures:

A. Obtain and inspect the Organization's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Organization's operations:

i. Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

ii. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iii. Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or agency fund additions.

Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1. Procedures Performed on the Organization's Written Policies and Procedures: (Continued)

v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
   Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
   Exceptions: There were no exceptions noted.

vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
   Performance: Obtained and read the written policy for contracting and found it to address all the functions listed above.
   Exceptions: There were no exceptions noted.

vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
   Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
   Exceptions: There were no exceptions noted.

viii. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
   Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
   Exceptions: There were no exceptions noted.

ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that all employees, including elected officials, annually attest through signature verification that they have read the Organization's ethics policy.
   Not applicable for not-for-profit entities.

x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
   Not applicable for not-for-profit entities.

1. Procedures Performed on the Organization's Written Policies and Procedures: (Continued)

xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable for not-for-profit entities.

2. Procedures Performed on the Organization's Board:

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Performance: The Organization's bylaws require at least 6 board meetings per year. We obtained and read minutes from 9 board meetings during the year ended June 30, 2023. The frequency of and quorum representation of those meetings was appropriate.

Exceptions: There were no exceptions noted.

ii. For entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those funds comprised more than 10% of the entity's collections during the fiscal period.

Performance: Inspected meeting minutes and confirmed that the minutes referenced or included budget-to-actual comparisons relating to public funds.

Exceptions: There were no exceptions noted.

2. Procedures Performed on the Organization's Board: (Continued)

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Not applicable. The Organization is a nonprofit organization. The governmental accounting model is not applicable.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until findings are considered fully resolved.

Performance: Observed that findings were limited to late filing in the prior year. Noted management's corrective action plan was fully implemented immediately.

Exceptions: There were no exceptions noted.

3. Procedures Performed on the Organization's Bank Reconciliations:

A. Obtain a listing of the Organization's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Organization's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged); and

Performance: Obtained monthly bank reconciliation for the month of October 2022 for the main operating bank account and 4 other accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

ii. Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Inspected the Organization's documentation for the October 2022 bank reconciliation for the 5 bank accounts and verified a member of management who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation.

Exceptions: There were no exceptions noted.

3. Procedures Performed on the Organization's Bank Reconciliations: (Continued)

iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months. We noted three checks outstanding for longer than 12 months as of the end of the fiscal period. The Organization was able to produce documentation showing ongoing research and effort to reissue the outstanding checks.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Organization's Collections:

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

i. Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

ii. Each employee responsible for collecting cash is also not responsible for preparing/ making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Organization's Collections: (Continued)

iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in forced during the fiscal period.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was in forced during the fiscal period.

Exceptions: There were no exceptions noted.

D. Randomly select 2 deposit dates for each of the Organization's 5 bank accounts selected for procedures #3A under "Procedures Performed on the Organization's Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits selected and:

i. Observe that receipts are sequentially pre-numbered.

Performance: Requested supporting documentation for the selected deposits and reviewed receipts were sequentially pre-numbered.

Exceptions: There were two exceptions noted. The Organization was unable to provide sequentially pre-numbered receipts or substitute documentation showing date of receipt of cash/checks for two of the deposits selected.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Organization's Collections: (Continued)

iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and any cash is stored securely in a locked safe or drawer).

Performance: Requested support to ensure that the deposits tested were made within one business day of receipt.

Exceptions: There were two exceptions noted. The Organization was unable to provide documentation showing when funds were received for two of the deposits selected. Therefore, a conclusion could not be reached regarding if the deposit was made timely.

v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There was no exception noted.

5. Procedures Performed on the Organization's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Organization has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the Organization's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

ii. At least 2 employees are involved in processing and approving payments to vendors.
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.
Exceptions: There were no exceptions noted.

iii. The employees responsible for processing payments are prohibited from adding/ modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
Performance: Obtained a listing of employees involved in processing payments to vendors. Management confirmed and we observed that no employees processing payments are involved in adding/modifying vendor files.
Exceptions: There were no exceptions noted.

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.
Exceptions: There were no exceptions noted.

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearing house (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
Performance: Obtained a listing of employees involved with signing checks and verified they are the only ones authorized to approve electronic disbursements.
Exceptions: There were no exceptions noted.

C. For each location selected under #5A, obtain the Organization's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Select 5 disbursements for each location, obtain supporting documentation for each transaction and:
Performance: Obtained the Organization's non-payroll disbursement transaction population and management's representation in a separate letter that the population is complete. Selected 5 disbursements from the sole location that processes payment for testing.
Exceptions: There were no exceptions noted.

i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
Performance: Observed the 5 disbursements matched the related original invoice/ billing statements and documentation that deliverable were received.
Exceptions: There were no exceptions noted.

5. Procedures Performed on the Organization's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

D. Using the entity's main operating account and the month selected in "Procedures Performed on the Organization's Bank Reconciliations" procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Performance: Observed the 5 disbursements included evidence of approval by an authorized person and approval by the required number of authorized signers.

Exceptions: There were no exceptions noted.

6. Procedures Performed on the Organization's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

6. Procedures Performed on the Organization's Credit Cards, Debit Cards, Fuel Cards, P-Cards: (Continued)

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Reviewed documentation to determine that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were two exceptions noted. For one of the credit cards selected, a singular employee is the sole cardholder and user on the account. During testing we discovered two instances where the employee both made and signed off on the purchase.

ii. Observed that finance charges and/or late fees were not assessed on the selected statements.

Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.

Exceptions: There were no exceptions noted.

C. Using the monthly statements or combined statements selected under #6B, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by:

i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identify precisely what was purchased.

Exceptions: There were no exceptions noted.

ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed that selected transactions for meal charges were supported by documentation of the individuals participating in the meals.

Exceptions: There were no exceptions noted.

7. Procedures Performed on the Organization's Travel and Travel-Related Expense Reimbursements:

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Compared the reimbursement rate for the 5 selected reimbursements using a per diem rate to those rates established by the State of Louisiana or the U.S General Services Administration.

Exceptions: There were three exceptions noted. In three instances, the per diem rates used by the Organization were greater than those established by the State of Louisiana and the U.S. General Services Administration.

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Observed that reimbursements using actual cost were supported by an original itemized receipt that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1A(vii)).

Performance: Observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy (procedures #1A(vii)).

Exceptions: There were no exceptions noted.

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

8. Procedures Performed on the Organization's Contracts:

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, and:

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and selected 5 contracts for testing. Obtained management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Observed that the contracts selected did not require the bids to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

ii. Observe whether the contract was approved by the governing body, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: Observed that the contracts selected did not require Board approval.

Exceptions: There were no exceptions noted.

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with the contract terms.

Performance: Observed that the contracts selected were not amended.

Exceptions: There were no exceptions noted.

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Randomly selected one payment for each of the 5 contracts and obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained a listing of employees employed during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

9. Procedures Performed on the Organization's Payroll and Personnel:

B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Selected one pay period to test leave taken during that period. Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

ii. Observe whether supervisors approved the attendance and leave of the selected employees/ officials.

Performance: Observed that supervisors approved the attendance and leave of the selected employees.

Exceptions: There were no exceptions noted.

iii. Observe that any leave accrued or taken during the pay period is reflected in the Organization's cumulative leave records.

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

iv. Observe that the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.

Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' or officials' cumulative leave records, and agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files and agree the termination payment to the Organization's policy.

Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management and received management's representation in a separate letter that the listing is complete. The hours used in management's termination payment calculations were agreed to cumulative leave records, pay rates were agreed to authorized pay rates in the personnel files, and we agreed the termination payment to entity policy.

Exceptions: There were no exceptions noted.

9. Procedures Performed on the Organization's Payroll and Personnel: (Continued)

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that employee and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

10. Procedure Performed on the Organization's Ethics:

A. Using the 5 selected employees/officials from procedure #9A under "Procedures Performed on the Organization's Payroll and Personnel", obtain ethics compliance documentation from management and:

i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
Not applicable for not-for-profit entities.

ii. Observe whether the Organization maintains documentation which demonstrates each employee and official were notified of any changes to the Organization's ethics policy during the fiscal period, as applicable.
Not applicable for not-for-profit entities.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
Not applicable for not-for-profit entities.

11. Procedures Performed on the Organization's Debt Service:

A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instruments issued as required by Article VII, Section 8 of the Louisiana Constitution.
Not applicable for not-for-profit entities.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.
Not applicable for not-for-profit entities.

12. Procedures Performed on the Organization's Fraud Notice:

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Organization reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Organization is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

B. Observe that the Organization has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inspected the premises and website to determine if the fraud notice was appropriately posted concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There was one exception noted. The Organization did not have the fraud notice posted on its website.

13. Procedures Performed on the Organization's Information Technology Disaster Recovery/ Business Continuity:

A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management".

i. Obtain and inspect the Organization's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

ii. Obtain and inspect the Organization's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Performance: We performed the procedure and discussed the results with management.

13. Procedures Performed on the Organization's Information Technology Disaster Recovery/ Business Continuity: (Continued)

iii. Obtain a listing of the Organization's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

14. Procedures Performed on the Organization's Sexual Harassment:

A. Using the 5 randomly selected employees/officials from procedure #9A under "Procedures Performed on the Organization's Payroll and Personnel", obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/ official completed at least one hour of sexual harassment training during the calendar year.

Not applicable for not-for-profit entities.

B. Observe that the Organization has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Organization's premises if the Organization does not have a website).

Not applicable for not-for-profit entities.

C. Obtain the Organization's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements.

Not applicable for not-for-profit entities.

ii. Number or sexual harassment complaints received by the agency.

Not applicable for not-for-profit entities.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Not applicable for not-for-profit entities.

14. Procedures Performed on the Organization's Sexual Harassment: (Continued)

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.
Not applicable for not-for-profit entities.

v. Amount of time it took to resolve each complaint.
Not applicable for not-for-profit entities.

Management's Overall Response to Exceptions:

4D.i. The receipts and subsequent deposits found to be exceptions represent a deviation from the Organization's policies and procedures. In line with the Organization's policies, management will ensure in the future that all receipts are logged sequentially and/or by date received by an individual separate from the individual authorized to make deposits.

4D.iv. The receipts and subsequent deposits found to be exceptions represent a deviation from the Organization's policies and procedures. In line with the Organization's policies, management will ensure in the future that all receipts are logged sequentially and/or by date received by an individual separate from the individual authorized to make deposits.

6b.i. The two instances identified where a cardholder approved their own purchases were both transactions involving a credit card where the CEO was both the cardholder and approver. For all future purchases, the Organization will ensure that all credit card transactions are reviewed by a separate employee form the individual making the purchase.

7A.i. For all future per diem reimbursements to the Organization for governmental resources, management will use a reimbursement rate established either by the State of Louisiana or the U.S. General Services Administration.

12.B. Due to an oversight during the Organization's most recent redesign and implementation of its new website, the fraud notice was not posted timely on the website. The fraud notice is now posted on the website. The Organization's IT department and webmaster have been notified of this ongoing requirement for future website changes.